



(BILLING CODE: 4810-02)

DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network

Proposed Renewal; Comment Request; Anti-Money Laundering Programs for Various Financial Institutions

AGENCY: Financial Crimes Enforcement Network, Department of the Treasury.

ACTION: Notice and request for comments.

SUMMARY: As part of our continuing effort to reduce paperwork and respondent burden, we invite comment on a proposed renewal, without change, to information collections found in existing regulations requiring money services businesses, mutual funds, operators of credit card systems, dealers in precious metals, stones, or jewels, and certain insurance companies to develop and implement written anti-money laundering programs reasonably designed to prevent those financial institutions from being used to facilitate money laundering and the financing of terrorist activities. This request for comments is being made pursuant to the Paperwork Reduction Act of 1995, Pub. L. 104-13, 44 U.S.C. 3506(c)(2)(A).

DATES: Written comments are welcome and must be received on or before [INSERT DATE 60 DAYS AFTER THE DATE OF PUBLICATION OF THIS DOCUMENT IN THE FEDERAL REGISTER.]

ADDRESSES: Written comments should be submitted to: Financial Crimes Enforcement Network, P.O. Box 39, Vienna, VA 22183, Attention: Anti-Money Laundering Program Comments. Comments also may be submitted by electronic mail to

the following Internet address: regcomments@fincen.gov, again with a caption, in the body of the text, “Attention: Anti-Money Laundering Program Comments.”

Inspection of comments. Comments may be inspected, between 10 a.m. and 4 p.m., in the FinCEN reading room in Vienna, VA. Persons wishing to inspect the comments submitted must request an appointment with the Disclosure Officer by telephoning (703) 905-5034 (Not a toll free call).

FOR FURTHER INFORMATION CONTACT: Financial Crimes Enforcement Network, Regulatory Policy and Programs Division at (800) 949-2732, option 6.

SUPPLEMENTARY INFORMATION:

Abstract: FinCEN exercises regulatory functions primarily under the Currency and Financial Transactions Reporting Act of 1970, as amended by the USA PATRIOT Act of 2001 and other legislation. This legislative framework is commonly referred to as the “Bank Secrecy Act” (“BSA”).¹ The Secretary of the Treasury has delegated to the Director of FinCEN the authority to implement, administer and enforce compliance with the BSA and associated regulations.² Pursuant to this authority, FinCEN may issue regulations requiring financial institutions to keep records and file reports that “have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings, or in the conduct of intelligence or counterintelligence activities, including analysis, to protect against international terrorism.”³ Additionally, FinCEN is authorized to impose

¹The BSA is codified at 12 U.S.C. 1829b, 12 U.S.C. 1951–1959, 31 U.S.C. 5311–5314 and 5316–5332 and notes thereto, with implementing regulations at 31 CFR Chapter X. See 31 CFR 1010.100(e).

² Treasury Order 180-01 (Sept. 26, 2002).

³ 31 U.S.C. 5311

regulations to maintain procedures to ensure compliance with the BSA and FinCEN's implementing regulations, or to guard against money laundering, which includes imposing anti-money laundering ("AML") program requirements on financial institutions.⁴

Regulations implementing section 5318(h)(1) of the Act are found in part at 31 CFR 1022.210, 1024.210, 1025.210, 1027.210, 1028.210, and 1029.210. In general, the regulations require financial institutions, as defined in 31 U.S.C. 5312(a)(2) and 31 CFR 1010.100 to establish, document, and maintain anti-money laundering programs as an aid in protecting and securing the U.S. financial system.

1. Titles: Anti-money laundering programs for money services businesses (31 CFR 1022.210), Anti-money laundering programs for mutual funds (31 CFR 1024.210), Anti-money laundering programs for operators of credit card systems (31 CFR 1028.210).

Office of Management and Budget (OMB) Control Number: 1506-0020.

Abstract: Money services businesses (31 CFR 1022.210), mutual funds 31 CFR 1024.210), and operators of credit card systems (31 CFR 1028.210) are required to develop and implement written anti-money laundering programs. A copy of the written program must be maintained for five years.

Current Action: This action incorporates providers of prepaid access (31 CFR 1022.210(d)(iv)) into existing regulations.

Type of Review: Extension of a currently approved information collection.

Affected Public: Business and other for-profit institutions.

⁴ 31 U.S.C. 5318(a) and (h).

Burden: Estimated Number of Respondents: 327,206.

31 CFR 1022.210(except (d)(iv)) = 252,100.

31 CFR 1022.210(d)(iv) = 72,100

31 CFR 1024.210 = 3,000.

31 CFR 1028.210 = 6.

Estimated Number of Responses: 2,838,406.

31 CFR 1022.210(except (d)(iv)) = 252,100.

31 CFR 1024.210 = 3,000.

31 CFR 1028.210 = 6.

31 CFR 1022.210(d)(iv) = 2,583,300.⁵

Estimated Number of Hours: 341,216.

Estimated at one hour per respondent.

31 CFR 1022.210(except (d)(iv)) = 252,100.

31 CFR 1024.210 = 3,000.

31 CFR 1028.210 = 6.

Two minutes per response.

31 CFR 1022.210(d)(iv) = 86,110

2. Title: Anti-money laundering programs for dealers in precious metals, precious stones, or jewels (31 CFR 1027.210).

OMB Control Number: 1505-0030.

⁵ Reflects the addition of providers of prepaid access renewal program.

Abstract: Dealers in precious metals, stones, or jewels are required to establish and maintain written anti-money laundering programs. A copy of the written program must be maintained for five years.

Current Action: There is no change to existing regulations.

Type of Review: Extension of a currently approved information collection.

Affected Public: Business and other for-profit institutions.

Burden: Estimated Number of Respondents = 20,000.

Estimated Number of Responses = 20,000.

Estimated Number of Hours = 20,000.

3. Title: Anti-money laundering programs for insurance companies (31 CFR 1025.210) and non-bank residential mortgage lenders and originators (31 CFR 1029.210).

OMB Control Number: 1506-0035.

Abstract: Insurance companies and non-bank residential mortgage lenders and originators are required to establish and maintain written anti-money laundering programs. A copy of the written program must be maintained for five years.

Current Action: This change incorporates non-bank residential mortgage lenders and originators to existing regulations.

Type of Review: Extension of a currently approved information collection.

Affected Public: Business and other for-profit institutions.

Burden: Estimated Number of Respondents = 1,200 (Insurance).

Estimated Number of Respondents = 31,000 (Non-bank residential mortgage lender and originators).

Estimated Number of Responses = 1,200 (Insurance).

Estimated Number of Responses = 31,000 (Non-bank residential mortgage lender and originators).

Estimated Number of Hours = 1,200 (Insurance).

Estimated Number of Hours = 93,000 (Non-bank residential mortgage lender and originators. 3 hours for initial establishment of AML program).

Total Burden Hours: 94,200.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by the Office of Management and Budget. Records required to be retained under the Bank Secrecy Act must be retained for five years. Generally, information collected pursuant to the Bank Secrecy Act is confidential but may be shared as provided by law with regulatory and law enforcement authorities.

Request for Comments:⁶

Comments submitted in response to this notice will be summarized and/or included in the request for Office of Management and Budget approval. All comments will become a matter of public record. Comments are invited on: (a) whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance

⁶ The listed burden for providers of prepaid access and non-bank mortgage lenders and originators were recently approved by OMB and are presented for information only.

the quality, utility, and clarity of the information to be collected: (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance and purchase of services to provide information.

Dated: February 13, 2012_____

James H. Freis, Jr.
Director
Financial Crimes Enforcement Network

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